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ABSTRACT

This guide is designed to assist in the preparation of students for employment in some area of finance and credit or to help those individuals already working in the field to upgrade their skills. It is noted that the contents have been carefully selected by business people and educators working in the field of finance and credit. After a brief introduction offering suggestions for use of the guide, four units are presented. Unit 1 is an overview of the field of finance and credit along with some career information. Unit 2 covers the duties and personal characteristics needed to perform the basic jobs related to the granting of credit. Unit 3 covers the duties and personal characteristics needed to perform the basic jobs related to the collection process. Unit 4 presents the various Federal and State laws that govern the procedure of granting credit and collecting debts. Each unit follows a four column format listing performance objectives, instructional suggestions, student learning experiences, and evaluation suggestions. The appendix contains a sample of a student project. A bibliography and directory are also appended. (HD)

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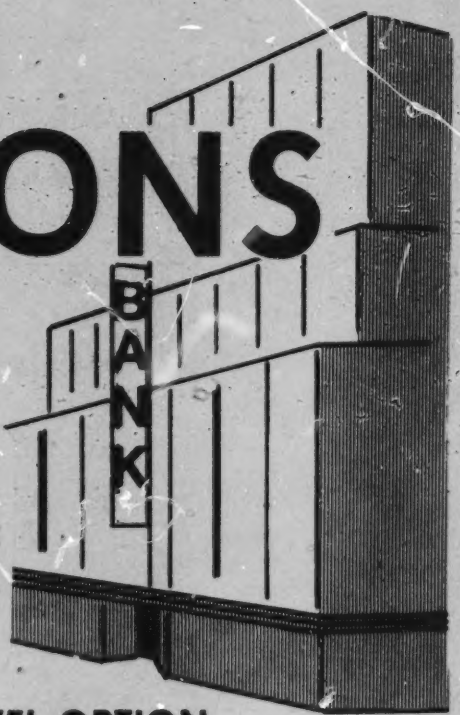
CREDIT and COLLECTIONS



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AN ADVANCED LEVEL OPTION FOR FINANCE AND CREDIT

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FOREWORD

Credit plays an important role in our economy. According to the National Retail Credit Association, 95 percent of our country's population use credit at some time in their lives. Many shoppers expect to receive credit and will only patronize those stores where it is available. As a result more and more businesses are becoming involved with the extension of credit to its customers. The content of this publication may be used in secondary schools and adult education programs to assist in preparing individuals who wish to enter the field of finance and credit or to upgrade the skills of personnel already working the area.

The development of materials designed to train workers for the field of finance and credit was initiated by Douglas T. Adamson, then Chief of the Bureau of Distributive Education. Appreciation is expressed to the advisory committee composed of Peter Atchison, distributive education coordinator at the John Harrold Educational Center, Plattsburgh; Richard Atkinson, assistant territorial general credit manager for Sear's Eastern Region, Philadelphia, Pa.; Gerry Casey, distributive education coordinator at Chenango Forks Central School, Chenango Forks; Harold R. Moore, President, Schenectady Discount Corp., Albany, and Robert Ranfone, Manager of Credit Bureau Inc., Albany, for their suggestions and assistance.

Christine Rogone, distributive education coordinator at the Rensselaer Junior-Senior High School, prepared the original instructional materials.

Assistance relating to content was provided by Marian W. Potter, associate in the Bureau of Distributive Education. The project was coordinated and the manuscript prepared for publication by Nelson S. Maurer, associate in the Bureau of Occupational Education Curriculum Development.

G. EARL HAY, *Chief*
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MESSAGE TO THE INSTRUCTOR

Credit and Collections is part of a larger cluster of occupational preparation related to the field of finance and credit. The information presented in this guide is designed to assist in the preparation of students for employment in some area of finance and credit or to help those individuals already working in the field to upgrade their skills. The content builds on a base of elementary understandings and permits the students to apply their knowledge and refine their skills at each step of the learning process. Secondary and adult students with some knowledge and experience in marketing and distribution can use the basic skills related to finance and credit for a specialization that will be useful in their career development.

The methods and materials suggested should enrich a course and help achieve a more effective presentation. The general objectives are stated in terms of activities that a student should be able to do as a result of the instruction. Instructional techniques are suggested as well as student activities which will reinforce the materials presented. Throughout the units, provision is made for evaluating student progress related to specific performance goals. The use of audiovisual aids will help clarify the presentation of materials. A list of suggested aids is given in the bibliography.

The instructor is urged to use the outline in relation to the student's development and background. There are numerous provisions for individual and small group instruction that can be improved upon with experience. While we feel that the elements of a successful program are contained in the publication, please let us know where future improvements can be made.

Chief
Bureau of Distributive Education

DOUGLAS T. ADAMSON, *Director*
Division of Occupational Education Instruction

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CREDIT AND COLLECTIONS

The day-to-day activities of marketing and distribution are largely dependent upon the ability of an individual or a business to buy and sell goods or services on credit and to obtain or make cash loans. Several thousand openings for employment in the field of credit will occur each year during the next decade. Some of this demand may be met by preparing high school students to enter the field. Other workers may be recruited by offering adult training programs for individuals who wish to upgrade their skills and knowledge in credit or for people who are seeking new jobs or part-time employment in the field.

Administrative Considerations

The performance objectives or student outcomes can be attained in a minimum of 10 weeks or a maximum of 20 weeks. The course is intended as an advanced class for distributive education students in the 12th grade. Also, the course is open to other occupational education students when the material is related to their preparation for employment. It is suggested that Distribution and Marketing, in which the role and importance of credit are introduced, be considered a prerequisite for this course. Also, a basic proficiency in typing, filing, and mathematics is desirable.

Utilizing a single period for a partial or total semester, the module may be scheduled as a prepared course for up to one-half unit of credit in a vocational three-unit sequence. A period in a laboratory-classroom situation is particularly advantageous for students to gain a higher level of competency for direct entry into this area of employment. In addition, related cooperative work experience should be included as part of the student's program of occupational preparation. Distributive education students should have other modules of instruction available to complete the semester or year.

Adult students would be more cognizant of the basic elements contained in this outline if they have had experience in marketing or management, and have basic competencies in typing, filing, and mathematics. In most circumstances, fifteen 2-hour sessions will provide adequate time for adults to accomplish the expected outcomes.

Course Format

The four-column format is designed to assist in the planning and instructing process. A brief explanation of each column is given below.

Performance Objectives state the goals which the learner will be able to achieve as a result of the instruction. Each objective is assumed to be prefaced by the following phrase: "The student will be able to:"

Instructional Suggestions give teaching methods which will assist in presenting the required content along with selected references which are cited in the bibliography.

Student Learning Experiences suggest activities that will help the learner to develop the required skills and knowledges.

Evaluation Suggestions include activities that will aid in identifying the extent to which the learner has achieved the performance objectives.

Teaching Suggestions

The following points are offered as a means of improving instruction.

- Review each unit well in advance of the class and obtain the instructional materials needed for an effective presentation.
- Use a variety of learning experiences in order to challenge the different levels of student abilities.
- Take all opportunities to provide for individual or small group instruction.
- Keep the instruction flexible enough to permit students to gain the skills and knowledges required to achieve their specific goals. However, all students should be encouraged to acquire some knowledge of each phase of credit work so as to increase their employability.
- Use instructional aids to clarify the presentations.
- Read trade periodicals and business magazines to keep up to date with new information, developments, and trends.

Instructors in adult education programs may wish to adapt the teaching-learning conditions to their particular group, but the basic format of teaching through student involvement should prevail.

Expected Outcomes

The content of the course is intended to prepare individuals for employment in the field of finance and credit and closely allied areas where these skills and knowledges are used in support of other retail and wholesale occupations.

Overview of Course

The content has been carefully selected by business people and educators working in the field of finance and credit. Because there are several ways to carry out the specific responsibilities, the suggestions given in this outline are to be considered not as the only way or the final answer, but as a point of departure for developing more imaginative presentations. A brief description of each unit follows.

Unit 1 is an overview of the field of finance and credit along with some career information.

Unit 2 presents the duties and personal characteristics needed to perform the basic jobs related to the granting of credit.

Unit 3 describes the duties and personal characteristics needed to perform the basic jobs related to the collection process.

Unit 4 discusses the various Federal and State laws that govern the procedure of granting credit and collecting debts.

UNIT 1

INTRODUCTION TO THE FIELD OF CREDIT

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Explain the importance of credit in our economy	Discuss briefy the role of credit in our present economy including the uses of credit and the extent to which credit is used. (Ref. A; Ref. E. Use examples to distinguish the differences between consumer and mercantile credit. Also, distinguish between the type of consumer credit used to purchase goods and services and the type of credit used to purchase real estate. Discuss recent trends in the field of credit that have been influenced by present economic conditions. Include such items as: • Availability of credit • Problems of collections • Use of credit bureaus (Ref. A)	Report on a recent article from a business publication or a daily paper showing the importance of credit in our economy List as many differences as possible between consumer and mercantile credit. Prepare a graph showing the number of dollars extended for credit for the last five years. (Ref. Federal Reserve Bulletin)	Bring to class five newspaper articles that illustrate the uses of credit and identify the type of credit in each situation. Identify two major differences between consumer and mercantile credit. Indicate three ways in which the present economic conditions have affected the use of credit. Indicate two reasons each why a retailer, wholesaler, and a manufacturer would use credit.
Give examples that show how the use of credit has affected the number and types of job opportunities available	Explain why different types of services have developed as a result of the use of credit such as: • Credit bureaus • Credit departments • Collection agencies • Rating and reporting agencies (Ref. A)	Arrange for individuals or teams of several students to visit the credit departments of retail stores, commercial banks, and finance companies to find out the services each offers. Have the various findings reported to the class. Discuss the reasons for the different services offered by each place visited.	Give three examples for each type of credit service agency. Differentiate between the services provided by a credit department of a retail store and those provided by a credit bureau.

	Show how the use of credit has affected the number and types of available job opportunities. Also, indicate how the state of the economy affects the available job opportunities.	Bring in several "Want Ads" for positions in the field of credit and compare the kinds of employers with the jobs available.	Give five examples showing how the use of credit has affected the job market.
Prepare a list of businesses where jobs in the field of credit may be found and indicate job titles in each situation	Develop, using suggestions from the students, a list of places where a credit service agency exists. Consider such firms as banks, retail stores, finance companies, credit reporting agencies, credit unions, and all types of wholesale merchants. Indicate that each of the places represents potential job opportunities.	Prepare a list of businesses where credit is available using the Yellow Pages of the local telephone book. Consider such headings as automobile dealers, banks, department stores, furniture stores, finance companies, and all types of wholesalers.	List eight places that would represent potential job opportunities for persons interested in finding employment in the field of credit.
Identify the steps necessary to process to completion a request for credit	Develop on the chalkboard, using suggestions from the students, the tasks that are associated with the granting or disapproving of credit including: • Gathering information • Investigating the validity of the information obtained • Getting additional facts • Compiling information • Analyzing data • Authorizing the loan • Collecting the money • Promoting the use of credit • Coordinating the various tasks	Discuss the factors a person should consider when a close friend asks for a small loan. Compare the above items with the procedures used by a small finance company when a request for a loan is made.	Prepare a flow chart that shows the steps involved in the granting of credit. Relate jobs to specific tasks.
Enumerate and describe the specific jobs that are associated with the use of credit	Develop with help from the students the actual job opportunities that are associated with the granting of credit including: • Credit clerk	Compare the range of jobs and responsibilities in a credit department of a retail store with those in a credit bureau.	Compare the range of jobs and note the differences in a wholesaler's credit department with those in a credit department of a retail store.

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Enumerate and describe the specific jobs that are associated with the use of credit (cont'd)	• Interviewer • Investigator • Analyst • Authorizer • Collector • Credit promotion salesperson • Credit manager • Finance company manager		List six jobs related to the granting of credit and give the responsibilities associated with each job.
Identify career interests in the field of credit in terms of what people do and how they do it	Assist students in developing an interview guide to determine the job opportunities that exist in a specific credit department along with the duties and qualifications for each job. Give some suggestions on how to use the interview guide to gather the required data effectively. Discuss the advantages and disadvantages of working in the field of credit.	Arrange for individuals or teams of students to visit different credit departments and use the interview guide to determine the duties and qualifications for each job in the various departments. Have the findings reported in class and compare the results. Develop a composite list of jobs available along with the duties and qualifications for each. Identify those jobs that are considered entry level positions.	Write a short paper explaining why a person would want to work in the field of credit. Include such topics as: • Nature of work • Tasks • Working conditions • Places of employment • Qualifications • Advancement opportunities • Employment trends and job needs. Prepare a help wanted advertisement for a job opening in the field of credit indicating: • Qualifications required • Nature of work • Working conditions • Advancement opportunities

UNIT 2

THE CREDIT GRANTING PROCESS

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Explain why most businesses extend credit to their customers	Describe the wants and needs of individuals who use credit. Develop with students the advantages and disadvantages of businesses extending credit to their customers. (Ref. A; Ref. H; Ref. I)	Enumerate the costs of extending credit to customers.	State five reasons why businesses extend credit to their customers.
Perform the basic duties of a credit clerk	Discuss the importance and duties of a credit clerk including: • Processing orders and credit requests • Extending orders and determining credit available • Organizing credit information • Aging accounts receivables • Making collection cards • Typing and filing memos, letters, and reports (Ref. C) Explain why a person considering the job of credit clerk should already possess the basic office skills of: • Typing • Filing • Mathematics	State five specific duties of a credit clerk. Complete various job related activities such as: • Processing orders • Extending totals for charges and credit. • Organizing credit information • Making collection cards. • Typing and filing memos, letters, and reports Arrange for teams of two or three students to visit different types of credit departments and interview employees about their jobs and determine how each person relates to other people in the office. Have students share their findings with the class. Also, have students obtain blank forms commonly used in the different offices they visited. Ask students to bring the forms to class for comparison and discussion purposes.	Explain how the duties of a credit clerk relate to the other jobs in a credit department. Perform selected activities to demonstrate a proficiency in the skills needed by a credit clerk.

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Perform the basic duties of a credit clerk (cont'd)	Explain why specific training for the position of credit clerk is often done on the job.		
Compute interest charges based on time and amount	Show how to compute interest charges based on time and amount by the use of tables and charts.	Use tables and charts to compute the interest charges for different situations.	Compute interest charges for different situations using tables and charts.
	Discuss how to reduce errors in mathematical computations by being careful to avoid the following: • Decimals misplaced • Figures in wrong columns • Transposition of figures • Errors in copying • Poorly written figures • Not checking final results		State five things a person can do which would reduce errors in mathematical computations.
	Give a test such as the Appraisal of Arithmetic Ability to measure the computational abilities of the students and to point out areas that are in need of improvement. *The above test may be found on pages 169-173 of the Business Mathematics Syllabus 1973. The Syllabus may also be used when students need to improve their skills in business mathematics. (Ref. D)*	Undertake an improvement plan to strengthen known areas of weakness in computational skills.	

Make an adjustment to a customer's account under simulated conditions	Develop and list on the chalkboard the different items that contribute to a successful adjustment of a customer's problem including: • Dealing with customers tactfully and courteously • Being patient and understanding • Knowing what adjustments may be made • Explaining in a clear and concise manner (oral or written) what corrections were made and why • Making basic mathematical calculations	Role play situations involving telephone calls from customers about errors in their bills or the misunderstanding of the terms of credit by the customers. Have students reverse their roles. Ask other members of the class to comment on the effectiveness of the techniques used and offer suggestions for their improvement.	Analyze three teacher-prepared letters from customers requesting adjustments in their bills. For each case, write an explanation for the office files of the corrections that were made.
Demonstrate a knowledge of the personal characteristics needed to perform the job of adjustor or service clerk	Develop on the chalkboard the personal characteristics needed by a credit adjustor including the ability to: • Serve customers willingly • Listen to customers' complaint without getting into an argument • Relate customer's problems to the data on their account cards • Talk with customers without embarrassing them • Make clear and concise explanations • Admit to a mistake if one was made and make a suitable apology • Make adjustments quickly and properly • Follow through when other staff members are involved in the adjustment	Give situations that show why credit adjustors need specific personal characteristics to perform their duties effectively Arrange for teams of two or three students to interview several credit adjustors to find out the qualifications and personal characteristics needed for the job. Have students share their findings with the class.	List six personal characteristics needed by a credit adjustor and explain the importance of each characteristic. Solve teacher-prepared problems by role-playing situations involving complaints made by customers relative to misunderstandings or mistakes with their accounts.

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Demonstrate a knowledge of the personal characteristics needed to perform the job of adjustor or service clerk (cont'd)	• Record all information completely and accurately including customer's account card • Know where to get help to handle problems when they arise.		
Identify the essential information an interviewer needs to obtain from an applicant	Show how the interview affects the decision to grant credit and to the possibility of recovering the debt incurred. (Ref. A; Ref. E)	Analyze sample credit application blanks to see if the information requested adequately covers the four C's of credit.	Explain how the quality of the interview relates to the collectibility of the account.
	Obtain and distribute sample credit application blanks from retail stores, banks, and loan companies. From a study of the various items, develop with the students a composite list of informational facts that an interviewer needs to obtain to determine the applicant's ability to repay a loan. Group the information under such headings as: • Character • Capacity • Capital • Conditions (Ref. A; Ref. E; Ref. H; Ref. I)	Prepare a list of questions in addition to those on an application blank that would assist in making an interview more informative. Compare the information requested on several sample credit application blanks from different sources and explain why the information varied.	Explain why it is important to determine accurately and carefully, during the interview, the applicant's character, capacity to pay, and capital reserve. Explain the relative importance of the four C's of credit.
Conduct a successful interview with a person applying for credit under simulated conditions	Develop with assistance from students the different items that contribute to a successful interview of an applicant.	List the elements that are a part of every successful interview.	Give three examples of information that would be classified as facts and three which would be considered opinions.

Include such items as:

- Completeness of application
- Verification of existing information
- Quality of information
- Addition of new information
- Thoroughness of observation
- Recognition and reporting of important facts.

Demonstrate how to conduct a successful interview including:

- Developing rapport with customers
- Determining the financial need
- Getting the facts
- Observing the customer
- Educating the customer
- Securing a signature

Invite a credit interviewer to conduct simulations of interviews with students. Use either teacher-or student-prepared background material to avoid the necessity of students being asked to reveal persons and confidential information during the interviews. Have the interviewer explain the reasons for his method of questioning applicants.

State three methods used to verify information given in an application and indicate ways of obtaining additional information.

Use teacher-prepared information to role play interview situations. The information should provide a variety of reasons for needing the loans and different circumstances which would affect the applicant's attitudes. Have students reverse their roles. Ask other members of the class to evaluate the effectiveness of methods used and information obtained for each interview and offer suggestions for improving the quality of the interviews.

Make a list of the information that the interviewer should provide the applicant relative to the terms of the loan.

Prepare and distribute several sample credit application blanks that have varying degrees of completeness. Have students prepare a list of questions for each blank that would give an interviewer all the information needed for a successful interview.

Trace the various activities of an interviewer from the time an applicant arrives to the time he departs at the conclusion of the interview.

Explain how to develop rapport with a reluctant applicant.

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Demonstrate a knowledge of the personal characteristics needed to perform the job of credit interviewer	Develop on the chalkboard the personal characteristics needed by a credit interviewer including: • Ability to relate to other people • Tact • Emotional stability • Confidentiality • Sincerity • Businesslike manner • Good judgement	Give examples of how the attitude and temperament of the interviewer could affect the applicant's willingness to provide the necessary information. Prepare a list of the skills and knowledges needed for the job of credit interviewer.	Select from a list of personal characteristics those needed by a credit interviewer. Use teacher-prepared materials which provide several adverse interview situations and show how to correct or improve the circumstances described.
Describe the importance of effective communications for all credit employees	Explain the advantages of taking time to collect, organize, and arrange information that is to be communicated to someone else. (Ref. G) *Use the Distribution and Marketing Syllabus, 1974 for additional content relating to communications.*	Analyze three examples of business communications that reflect poor preparation and rewrite them so they are more effective.	State five reasons why it is important to carefully prepare all business communications.
Explain how to investigate the information provided by the applicant	Develop with the students the items that a good investigation should incorporate. Include such points as: • Positive identification • Indication of the ability and willingness to pay • Separation of facts and opinions	Explain why it is necessary to check the information supplied by an applicant requesting credit. Use various sources of information such as telephone books and city directories to verify information given in several teacher-prepared applications for credit.	Identify from a list of teacher-prepared information those items that would be considered facts and those considered opinions.
	Describe how to basically research any topic. Explain the importance of developing good research and inspection techniques.	Analyze a TV documentary of a current or historical event to determine the sources which the writer or writers might have used in order that the story, costumes,	List five sources that might be used when researching any topic. Report on individually

Describe the steps to use when investigating the information supplied by an applicant. Include such items as:

- Residence verification
- Property search
- Reference followup
- Employment status
- Reliability
- Credit bureau appraisal

(Ref. A)

Develop with the students sources to consider when investigating an applicant and the type of information to request from each source including:

- Banks
- Employer and former employers
- Other businesses
- Credit bureaus
- Neighbors and associates
- Trade associations

Show how to evaluate an investigation including:

- Completeness
- Depth
- Time involved

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and furnishings would be accurate and authentic.

Indicate how an applicant might use "pet references" to obtain a favorable credit report.

Contrast the information furnished by a bank with that supplied by neighbors and associates.

Take a teacher-prepared list of sources that might be used to check the suitability of an applicant and divide into three groups based on the reliability of the information supplied by each source.

assigned topics that require basic research to gather the necessary information.

State five important items that should be checked when investigating the suitability of an applicant requesting credit.

Using three prepared applications for credit, indicate the procedures to follow to make a credit investigation for each.

Give examples of the types of information supplied by different sources used in an investigation of an applicant requesting credit and indicate on a three point scale the reliability of each source.

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Explain how to investigate the information provided by the applicant (cont'd)	Invite an investigator from a retail credit department to explain the procedures used to investigate credit applicants. Follow with a question and answer period.	Summarize the important points made by the guest speaker.	Analyze teacher-prepared application blanks to find out the additional facts needed for a thorough investigation and to list the sources where each fact might be found.
Demonstrate a knowledge of the personal characteristics needed to perform the job of credit investigator	Develop on the chalkboard the personal characteristics needed by a credit investigator. Include such items as the ability to: • Work with data • Recognize pertinent facts • Keep confidential any information gathered • Conduct a thorough investigation in a reasonable time limit	Role play situations that involve the investigation of an applicant. Include an interview with a: • Neighbor • Bank official • Manager of a credit bureau Have students reverse their roles. Ask other members of the class to comment on the effectiveness of the interviews and offer suggestions for ways to improve the techniques employed.	Prepare an investigation report based on teacher-prepared materials. Indicate why certain bits of information were used and others rejected. Evaluate the need for any additional facts to complete the investigation. Select from a list of personal characteristics those needed by a credit investigator.
Consider and evaluate pertinent personal facts about an applicant which affect his or her request for credit	Show how an applicant's character, capacity to pay, capital reserves, and economic conditions affect his or her request for credit. (Ref. H; Ref. I)	Discuss the personal factors which should be considered when reviewing a request for credit. Identify from a list of situations those items which would adversely affect a request for credit.	Describe personal situations involving an applicant which would affect unfavorably his or her request for credit.
	Discuss situations involving an applicant which would adversely affect his or her request for credit. Include such	Develop some simple examples that illustrate situations which would adversely affect a person's request for credit.	Analyze case studies involving individual situations to indicate whether or not credit

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	situations as: • Insufficient information on application • Immediate delivery of goods requested • Renters ordering building materials • Purchase of items that require installation • A "General Delivery" or "Box" address • Illegal employment • Unemployed		should be granted and reasons for the decisions. Review several teacher-prepared applications and indicate whether or not credit should be granted and why.
Consider and evaluate pertinent facts about a business which affect a request for credit	Discuss how the credit policies (liberal or restrictive) of a business affect the amount of conditions of the credit granted to its customers. (Ref. A; Ref. I)	Give examples why each business should have a uniform credit policy. Arrange for several students to visit or telephone retail stores and banks to determine the credit policy of each different establishment and report findings to class.	Give four examples which show how credit policies affect the amount of credit a business extends to its customers. Develop credit policies for three teacher-prepared situations and indicate reasons for the policy selected in each case.
	Develop with students different items about a business which would affect its request for credit. Include such factors as: • Profit margin on sales • Supply and demand of products • Competitive position of business • Sales of slow-moving goods • Volume of sales • Amount of working capital • Percent of collections (Ref. A)	Explain why the same individual, giving identical information, may be approved for credit in one store and rejected in another store. Explain why, given the same information, a store would approve a request for credit and then 6 months later reject the same request for credit.	Analyze teacher-prepared materials involving different business conditions and policies and indicate why credit should be or should not be granted in each case.

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Consider and evaluate pertinent facts about a business which affect a request for credit (cont'd.	Invite an analyst-authorizer from the credit department of a retail store to explain the steps used when reviewing a request for credit. Include successful as well as unsuccessful requests. Follow with a question and answer period.	Summarize the important points made by the guest speaker.	Prepare different case studies involving personal and business circumstances which relate to requests for credit. Have students exchange situations and indicate whether or not credit should be granted and reasons for their decisions.
Demonstrate a knowledge of the personal characteristics needed to perform the job analyst-authorizer	Develop with the students the personal characteristics needed by an analyst-authorizer including the ability to: • Obtain facts • Weigh factors • Make a sound decision • Implement action Explain why confidentiality and diplomacy are important to the analyst-authorizer.	Prepare a list of guidelines to follow when acting upon a request for credit. List the skills and knowledges required for the position of analyst-authorizer	Answer a help wanted advertisement for an analyst-authorizer stating the qualifications needed for the job. Prepare a communication to an individual indicating that his request for credit has been rejected.
	Explain, using examples, the problem solving process. Include such points as: • Defining problem • Analyzing facts related to problem • Identifying points promoting and hindering solutions • Listing many (brainstorming) solutions to problems • Reviewing and selecting more plausible solutions	Relate the process used to solve such a problem as: • Selecting a vacation spot • Purchasing a camera, fur coat, or stereo sound system • Buying a car or boat Explain why it may be as important to consider the character of the officers of a new business as the amount of reserve capital available when reviewing the request for	Select a teacher-prepared problem that requires the ability to make a decision and indicate the solution reached and reason for that solution. Analyze four teacher-prepared credit applications and indicate whether or not credit should be granted in each case and why.

	• Evaluating effectiveness of plausible solutions and selecting those having greatest potential • Enumerating ways of implementing selected solutions • Selecting best solutions • Implementing solution (Ref. Creative Decision Making Forum, Fall/Winter 1973, published by J.C. Penney Co., Inc.)	credit from a new business.	
Identify the procedures to use to develop a basic credit sales promotion campaign	Develop with students the different methods used to promote credit sales including: • Stimulating active accounts • Finding new accounts • Reopening inactive accounts (Ref. A; Ref. E)	Bring in samples of promotional materials designed to stimulate interest in opening new credit accounts and analyze the effectiveness of each.	Develop a plan to encourage customers to reopen inactive credit accounts.
	Review the techniques commonly used to make a sale.	List the steps to take when making a sale.	Demonstrate how to make a simple sale.
	Develop on the chalkboard sources for names of individuals who might be prospective new credit account customers including: • Inside sources · Cash customers · Customer checks · Employees • Outside sources: · Club lists · Professional lists · Directories	State five sources for new names to receive literature about opening credit accounts and rate these sources in order of their importance to the credit promotion sales person.	State the advantages and disadvantages of using inside sources for obtaining names of individuals who might be prospective new credit customers.

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Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Identify the procedures to use to develop a basic credit sales promotion campaign (cont'd)	Develop with students different methods used to increase credit sales including: • Solicitations by salespeople • Advertising media • Direct mail contests • Premium money • Outside agencies (Ref. E; Ref. I.)	Outline suggestions a credit promotion salesperson might make to store clerks which would encourage them to increase solicitation of new charge accounts. Analyze credit promotional materials found in the local newspaper for appeals used and effectiveness of statements, and suggest ways to improve the materials.	Develop promotional materials to stimulate more sales by credit account customers. List the advantages and disadvantages of three different methods that might be used to increase credit sales. Explain why loan companies do more advertising for credit customers than do retail stores.
	Invite a credit promotion salesperson to explain the steps used to increase credit accounts. Develop with students a list of places that employ credit promotion salespersons.	Summarize the important points made by the guest speaker.	Develop a credit sales promotion plan for one of the following: • Bank • Loan company • Retail store Indicate the reasons for selecting the techniques used.
Demonstrate a knowledge of the personal characteristics needed to perform the job of a credit promotion salesperson	Develop with the students a list of the personal characteristics needed by a credit promotion salesperson. Suggest that one should be: • Creative • Innovative • Responsive to supervision • Productive • Efficient	Prepare a list of the skills and knowledges needed for the job of credit promotion salesperson.	Write a "Help Wanted" advertisement for a credit promotion sales person indicating the qualifications needed for the position. Have students evaluate their qualifications for a specific job in the field of credit and

	• Aware of business trends and conditions • Able to use basic principles of selling • Emotionally stable • In good health • Cooperative		help them develop a program of personal improvement to strengthen areas of weakness which will enable them to acquire the level of proficiency needed for an entry position in the field of finance and credit.
Describe the duties of a credit manager	Discuss the duties and responsibilities of a credit manager. Include such items as: • Establishing office policies and practices • Supervising and enforcing • policies and practices • Hiring and training • Approving requests for credit • Deciding on questionable cases • Directing collection procedures (Ref. A)	Compile a list of the major duties of a credit manager. Give examples that show the need for a manager in a credit bureau or department at a retail store.	Give five examples of the practices and policies for which a credit manager is responsible.
	Explain that the specific duties of a credit manager are determined by company policies.		Explain why the duties of credit manager are determined by company policies.
State the educational qualifications for a credit manager	Develop the educational qualifications necessary for a credit manager including a knowledge of: • Credit granting and collection • Commercial law • Bank credit • Analyzing financial statements (Ref. A; Ref. B; Ref. I)	List the educational qualifications required for the position of credit manager.	Identify educational institutions where training may be obtained in the field of credit.

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
State the educational qualifications for a credit manager (cont'd)	Explain how to satisfy the educational qualifications necessary for a credit manager.		
State the occupational experience necessary for a credit manager	Explain why it is important that a credit manager have occupational experience in at least one of the following activities: • Investigations • Collections • Reporting • Selling • Handling of correspondence • Assessments of risks	Give examples showing why it is important for a credit manager to have had experience in at least one activity within the field of credit. Explain the route a person might take to gain occupational experience to help prepare for the position of credit manager.	Suggest on-the-job activities which would be helpful for those seeking advancement to a position of credit manager.
State the competencies needed to be a credit manager	Discuss the competencies needed to be an effective manager including the ability to: • Plan • Organize • Direct • Control • Coordinate • Cooperate • Gather data • Make fair judgements (Ref. A; Ref. B; Ref. I)	Using specific examples, discuss the functions performed by a manager of a credit bureau or department. Make a list of items to consider when developing a new credit policy or reviewing existing policies. Role play situations in which a manager has to reject a request by an employee or turn down an application for credit by a customer. Ask other members of the class to comment on the effectiveness of the techniques used and to suggest improvements.	Give four examples that show the importance of the duties of the credit manager. Explain ways in which a manager could improve the morale and efficiency of a department. Prepare a list of attributes that make any manager effective. Select from a list of business competencies those needed by a credit manager.
	Invite a manager of a credit bureau or department to discuss the qualifications and duties of the job.	Outline the qualifications and duties of a credit manager as expressed by the guest speaker.	State five probelms that might arise in the operation of a credit department which would be

directly or indirectly caused by the manager's actions. Then, prepare a list of pitfalls which managers should avoid.

Arrange for a field trip to a local credit bureau or department. Prior to the trip discuss with the students points to look for. Ask the manager to explain the operations of the department and to detail the duties and responsibility of the various positions.

A project (Appendix 1) may be used to analyze the operations of a retail store credit department. This project may be used along with the unit or as a guide in developing other projects.

Compare the field trip observations of credit job duties with those previously discussed in class.

Give examples of actions that might be taken by a manager to improve the effectiveness of the credit operation.

UNIT 3

THE CREDIT COLLECTION PROCESS

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Explain the importance of being able to collect overdue accounts and still maintain good customer relations	Explain how a credit manager has to collect overdue accounts and at the same time maintaining good customer relations. (Ref. I)	Explain the importance of using tact and common sense when collecting accounts receivable.	Give examples of situations when it would be advisable to collect a debt even at the risk of losing the individual as a customer.
	Develop with students the different classes of credit customers based on the risk involved. (Ref. A) Explain that credit people usually indicate: • 70 percent of all customers will pay for what they purchase • 20 percent will be slow in paying but will pay • 5 percent will be slow in paying but have a reason for the delay • 5 percent will be very difficult to get to pay (Ref. A; Ref. B; Ref. E)	Review several teacher-prepared balance sheets and statements of income and then assign a credit risk to each based on working capital, sales, accounts receivable, and allowances for bad debts.	
	Explain how adequate investigations and careful screening of applicants can reduce the number of overdue accounts that are difficult to collect.	List the steps to use when screening an applicant for credit.	Explain how proper screening techniques tend to reduce the number of overdue accounts.

Explain the importance of analyzing accounts receivable on a regular basis	Use a chart or transparency to show the shrinkage of delinquent accounts over a period of time extending from 3 months to 3 years. (Ref. A; Ref. B; Ref. E; Ref. H; Ref. I)	Age several teacher-prepared lists of accounts receivable and develop a chart that shows the shrinkage of the delinquent account dollar in each case. List reasons why a business should age its accounts receivable on a regular basis.	Compare the rate of collections of accounts receivable to the time they have been outstanding and indicate the implication this has for the credit manager of a retail store.
Explain how to develop an effective procedure to collect accounts receivable	Discuss how the collection policies (liberal or restrictive) of a business affect the techniques used to recover accounts receivable.	List four major credit policies (granting and collecting) available to businesses.	Explain which of four credit policies available to businesses is the most equitable and why.
	Discuss the importance of establishing a collection timetable for the: • Firm • Credit manager • Customer	List reasons for establishing a timetable for collecting accounts receivable.	Explain how a business can use a collection timetable to assist in maintaining a systematic method of collecting overdue accounts.
Explain the different methods a firm may use to collect accounts receivable and indicate when each would be appropriate	Develop the general steps to use to collect accounts including: • Routine reminder • Personal followup • Drastic or legal action (Ref. E, Ref. H; Ref. I)	List the general procedures a credit manager can use to collect overdue accounts.	Develop a collection procedure for a retail store and for a wholesaler. List choices that a credit manager has when a delinquent customer ignores the fourth collection letter.
	Develop with the students specific ways of collecting accounts receivable along with the advantages and disadvantages and uses for each method. Include such procedures as: • Invoice • Statement	Rate the different ways of collecting accounts receivable on a three point scale as to the probable success in getting customers to pay their accounts.	List five different methods of collecting overdue accounts and give the advantages of each and identify the situations in which the various methods would be effective.

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Explain the different methods a firm may use to collect accounts receivable and indicate when each would be appropriate (cont'd)	• Collection letters • Certified letter • Telephone • Telegram • Bank draft • Personal visits • Collection service • Attorney (Ref. A; Ref. B; Ref. E; Ref. H; Ref. I)	List the different methods of collecting accounts receivable in the order they are likely to be used. Analyze samples of different methods used to collect accounts receivable and arrange in order of their effectiveness.	State reasons why the approaches or appeals for collecting overdue accounts should be arranged in a definite sequence. Compare the value of a certified letter with a collection letter sent regular mail in getting an individual to pay an overdue bill.
Explain how to trace a delinquent customer who has "skipped"	Develop procedures to use to trace delinquent customers who have "skipped" including: • Information on application • Armed Service records • School records • Motor vehicle records • Utility company records • Other businesses • Credit bureaus	List in the order of their usefulness the various methods used to trace people who have "skipped" out on a debt.	Explain how to trace a person who has "skipped" out on a debt.
Explain the use of form letters in collecting overdue accounts	Develop the advantages and disadvantages of using form letters to collect overdue accounts.	List the advantages and disadvantages of using form letters to collect overdue accounts.	Indicate the reasons why a store will use a form letter for collecting overdue accounts rather than developing a personal letter for each account.
	Discuss how a collection letter is prepared including: • Form and content • Tone • Appeal	List phrases that are used in collection letters which indicate tone, appeal, and attitude.	Prepare a list of terms and expressions that have been used in collection correspondence and indicate in each case a more positive and effective

	• Attitude • Personality or distinctiveness (Ref. A)		way of saying the same thing. Analyze several sample form collection letters from stores and banks as to content, tone, appeal, and attitude.
	Discuss different types of letters used to collect overdue accounts including the: • Notice • Reminder • Personal • Final (Ref. A)	Review samples of different types of letters used to collect overdue accounts and indicate where each would be used in the collection process.	Select from a series of prepared letters which are used to collect overdue accounts those that would be appropriate for each of several teacher-prepared situations. Prepare a letter to be sent to a delinquent debtor who has ignored four previous communications.
	Discuss collection letters used for special situations such as: • High credit customers • Installment customers	Explain why collection letters used for high credit customers would differ from the usual standard collection letters.	Select from sample collection letters those that would be appropriate for high credit customers.
Select appropriate collection techniques that relate to the causes for the delinquency	Discuss with the students causes for customer delinquency and develop appropriate approaches to use in each case. Include such items as: • Circumstances · Loss of employment · Sickness · Death of customer or close relatives	List reasons why people fail to meet collection dates and indicate the approach that should be used in each case.	Analyze teacher-prepared situations involving the failure to pay an account on time and indicate in each case which method of collection should be used and why.

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Select appropriate collection techniques that relate to the causes for the delinquency (cont'd)	· Natural catastrophe- flood, storm, fire, theft, drought · Poor economic conditions • Personal · Misunderstanding of credit items · Dissatisfaction with merchandise or service · Unintentional oversight · Failure to receive notice- bill lost in mail, moved, wrong address · Poor money management · No intention of paying • Business · Shipping and/or pricing errors · Misunderstanding of billing or credit terms · Quality of merchandise · Late receipt of merchandise · Overbought or slow-moving items · Lack of capital · False representation · Bankruptcy		
Identify the characteristics of a person who is a chronic delinquent customer	Develop the characteristics of the chronic delinquent customers.	List the characteristics of an individual that is a chronic delinquent customer.	Explain the different ways it may be possible to identify a chronic delinquent customer.
	Discuss the factors that would affect the granting of additional time to a delinquent customer including: • Reasons for needing more time	List situations when conditions would be justified to grant an extension of time to a delinquent customer.	Analyze teacher-prepared problems and indicate in each case whether or not additional time should be extended and why.

	• Workability of proposed plan • Amount owned by customer • Past experience of customer (Ref. A)		Prepare several case histories involving the request for more time and exchange with other students and indicate whether or not additional time would be granted in each case and why.
Explain legal methods available to assist in collecting overdue accounts	Develop with students the legal approaches available to assist in the collection of overdue accounts and identify the circumstances under which each would be used. Include such items as: • Garnishment • Attachment • Lien	List the legal approaches that a credit manager may use to assist in collecting overdue accounts.	State the circumstances that would force a credit manager to use the garnishment of wages to collect an overdue account.
	Invite a manager of a credit department or bureau to discuss methods used to collect overdue accounts.	Summarize the main points made by the guest speaker.	
Perform the basic duties of a collector under simulated conditions	Develop with the students the approaches a collector could use to collect overdue accounts.	List the techniques a collector may use to collect overdue accounts and give the situations when each would be appropriate to employ.	
	Show the techniques to follow when using the personal visit to collect an overdue account. Indicate the circumstances when a personal visit would be used by the following to collect an overdue account:	Role play situations in which personal visits are used to collect overdue accounts. Have students reverse their roles. Ask other members of the class to comment on the effectiveness of the approaches used and suggest ways to improve the techniques.	State the circumstances when personal visits would be used to collect overdue accounts. List the advantages of using the personal visit to collect overdue accounts.

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Perform the basic duties of a collector under simulated conditions (cont'd)	• Retailer • Wholesaler • Manufacturer (Ref. A)		
	Discuss the guidelines to follow when using the telephone to make collection calls. Include illegal calls made to frighten, abuse, torment, or harass the debtor such as: • Calls at odd hours of the day or night • Repeated calls (more than one per week) • Calls to third parties • Calls to place of employment	Prepare a list of questions a collector might ask a delinquent customer when using the telephone to collect an overdue account.	Make a list of possible reasons individuals might give for not paying their bill and prepare an answer that a collector might give for each reason.
	Invite a representative of a collection agency to discuss methods of collecting overdue accounts and "skip" tracing.	Summarize the main points made by the guest speaker.	List the skills and knowledge needed for the job of collector.
Demonstrate a knowledge of how to apply for a job	Discuss how to write a letter of application and make a personal data sheet. (Ref. F)	Develop a personal data sheet.	Write a letter of application for a specific job in the field of credit.
	Show how to complete an application blank. Emphasize the importance of: • Neatness • Following instruction • Completeness		Complete an application blank in an acceptable manner.
	Discuss how to prepare for a job interview. (Ref. F)		Explain how to prepare for an interview.

Discuss how to act and answer questions during a job interview. Explain that an interview is an opportunity for the exchange of ideas and that the applicant should feel free to ask questions relating to the job and its duties and responsibilities.

Indicate why it is important to go to the interview alone.

Prepare a list of questions that might be appropriate for a person to ask during an interview.

Invite a manager of a credit department to give mock interviews and to explain how he expects an applicant to conduct himself during an interview.

Use the DECA Job Interview Rating Sheet to rate those students who participated in the mock job interviews.

Explain how a person should conduct himself during a job interview.

UNIT 4

LAWS REGULATING THE USE OF CREDIT

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Explain the basic practices covered by the Federal consumer protection laws	Discuss the practices covered and the limitations imposed upon a person or an agency that extends credit to consumers by the following Federal consumer protection laws: • Truth in Lending Act · Purpose · Kinds of business affected · Information that the consumer must be told about open end credit (credit cards and revolving charge accounts) · Information that must be included with monthly statements · Information that the consumer must be told about loans and sales credit · Provisions that apply to real estate-purchase or used as collateral · Restrictions affecting advertising of credit · Restrictions on the use of credit cards · Provisions for enforcement · Penalties for violations • Fair Credit Billing Act (amendment) · Provisions · Creditor's responsibilities after being notified of a billing error	Examine the regulations relating to the use of credit cards provided by several firms to see if they are making the proper disclosures. Examine the monthly statements of several retail stores to see if they are making the proper disclosures. Examine the regulations of several loan companies to see if they are making the proper disclosures. Examine several advertisements for credit to see if they are making the proper disclosures and using the correct terminology. Explain why it is important for credit granters to use standard terminology when making disclosures. Explain how the Federal consumer protection laws have affected the: • Cost of credit • Arrangements for credit • Terms and conditions used • Offers of credit. List the media included in the restrictions for credit advertising as specified in the Truth in Lending Act.	List three types of credit transactions affected by the Truth in Lending Act. Identify from a list of charges those that may be included in a finance charge according to the Truth in Lending Act. Explain how the finance charge must be shown to the customer. Contrast the disclosures that have to be made to a person having a retail installment credit agreement with those that have to be made to a person having a retail installment contract. Explain three responsibilities of a firm that issues credit cards to consumers. Explain how finance charges are treated during the error resolution process. Explain two responsibilities of a contractor

	• Equal Credit Opportunity Act · Provisions · Creditor's responsibilities (Ref. Equal Credit Opportunity, Regulation B and Truth in Lending; Regulation Z published by Federal Board)	State how the Truth in Lending Act has made the extending of credit competitive. List the responsibilities of creditors when they have been notified by a customer that there is a billing error. List two penalties for violating the Truth in Lending Act. List the restrictions imposed upon creditors by the Equal Credit Opportunity Act.	making a major building repair when the house is used as security in the transaction for credit for the payment of those repairs. Prepare a copy for an advertisement for credit for a loan company. Prepare the necessary regulations for a retail store that has decided to issue credit cards to its customers.
Explain the basic practices covered by the New York State consumer protection laws	Discuss the practices covered and the limitations imposed upon a person or an agency that extends credit to consumers by the following New York State Consumer protection laws: • Retail Installment Sales Act · Definitions · Buyer's rights · Penalties • Creditor Billing Errors · Definitions · Consumer's rights · Penalties • Debt Collection Procedures · Definitions · Consumer's rights · Penalties • Credit Cards and Credit Devices · Definitions · Consumer's rights · Consumer's obligations	Examine the retail installment contracts from several sources to see if they are making the proper disclosures. Review the rates of credit service charges from several courses to see that the amounts do not exceed the legal limit for such charges. Role play situations in which a collector is trying to collect an overdue account. Have the other students detect illegal procedures and suggest changes so these illegal techniques become legal.	Explain the responsibilities of the seller when credit is granted as specified by the New York State Retail Installment Sales Act. State the maximum service charge that may be included in a retail installment agreement. Indicate the circumstances when a buyer has the right to cancel a contract or obligation. State two items that must be listed in the Notice To The Buyer on every contract or obligation. Explain the seller's

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Explain the basic practices covered by the New York State consumer protection laws (cont'd)	• Credit Discrimination · Definitions · Consumer's rights · Enforcement • Mortgage Escrow Accounts · Definitions · Consumer's rights (Ref. Consumer Law Handbook published by New York State Consumer Protection Board.) Discuss the guidelines suggested by the New York Telephone Company for debt collection calls. Indicate that the Federal law does not establish maximum limits for interest rates but the State law does set a maximum limit for these rates. State these maximum rates of interest. Discuss any local laws or agencies that are concerned with the granting of credit.		responsibilities when a customer makes a purchase using a credit card. Give the action a seller may take when a buyer defaults under a retail installment contract. State the seller's responsibility when a buyer claims there is an error in his bill. Explain the creditor's legal responsiblities when collecting an overdue account. State the legal limit of liability of a holder of a credit card that has been lost and properly reported. Give the creditor's responsibilities when credit is refused to a person who requests it. State the minimum rate of interest that is set on mortgage escrow accounts.
Explain the basic regulations governing the reporting	Discuss the practices covered and the limitations imposed by the Federal Fair Credit Reporting Act	Locate in the Yellow Pages of the local telephone book the names of all the credit reporting agencies	State the responsiblities of a credit reporting agency when issuing a

of consumer credit information

and the New York State Credit Data Reporting Act on credit reporting agencies. Include such items as:

- Purposes of acts
- Definitions
- Consumer's rights
- Penalties

(Ref. Consumer Law Handbook, published by New York State Consumer Protection Board)

Invite friends or relatives of students who have had dealings with a credit reporting agency to discuss their experiences and the outcomes.

Develop with the students the role of the credit reporting agency relative to the granting of credit.

in the area.

Role play a situation where an individual requests a credit reporting agency to reveal the nature and substance of all the credit information in his file. Have other students check to see that the released information is within the context of the law.

Develop a composite list of all the information that might be included in a person's credit file.

Consider the position of a firm who refused a request for credit being asked why. A similar situation probably exists in class. Each student may be willing to extend credit to certain of his friends but not to others. Explain why he might be unwilling to tell those to whom he would not extend credit the reasons why.

consumer report.

List four types of information that may not be included in a consumer report for transactions involving less than $50,000.

Explain the responsibilities of a credit reporting agency when an individual requests to learn the nature and substance of all the information in his file.

Indicate the responsibilities of a credit reporting agency when an individual notes that his file contains inaccurate information.

List three items that a credit reporting agency may release to an individual when requested.

Explain the responsibilities of a credit reporting agency when an individual requests the reinvestigation of specific information which he claims is inaccurate.

Prepare a sample credit file including all the information a retail

Performance Objectives	Instructional Suggestions	Student Learning Experiences	Evaluation Suggestions
Explain the basic regulations governing the reporting of consumer credit information (cont'd)			store would like to know before extending credit to a person.
	Show how it is possible for credit granters to use the same law to reach different conclusions on the way the credit may be granted.	Prepare a chart that shows the name and important features of each law that regulates the granting of credit.	Analyze teacher-prepared problems relating to the granting of credit and indicate the law or laws which govern each situation.
	Invite an official of a local credit reporting agency to discuss how the Fair Credit Reporting Act affects the operation of the bureau.	Summarize the main points made by the speaker.	Discuss the need for further consumer protection or the adequacy of the current laws.
	Invite a representative from the State's Law Department on Consumer Frauds and Protection or the State's Consumer Protection Board to discuss the responsibilities of the creditor when granting credit.	Summarize the main points made by the speaker.	
List the responsibility of the Federal and State agencies that regulate or handle complaints about the granting of credit	Discuss the Federal and State agencies that regulate or handle complaints about the granting of credit. Include such agencies as: • Federal Trade Commission • U.S. Post Office • Bureau of Consumer Frauds and Protection	Prepare a chart showing the various Federal and State agencies that are concerned with inspections and violations related to the granting of credit. Make a list of the names, addresses, and telephone numbers of local and district offices of agencies that deal with inspections and violations related to the granting of credit.	Analyze teacher-prepared problems about inspections and investigations relating to the granting of credit and indicate the agency which would be concerned in each case.

Explain the legal actions a creditor can take when a customer defaults on a retail credit agreement or contract	Discuss the advantages and disadvantages of various actions that a creditor can take to collect money due him. Include such actions as: • Collection agency • Small claims court • Law suit · Judgement · Lien · Garnishment of wages · Repossession and resale	Explain the legal steps a creditor would take in achieving a collection by the use of: • Small Claims Court • Lien • Repossession of goods • Garnishment of wages	Analyze teacher-prepared default problems and list the legal steps a creditor could take in each situation to collect the money owed.
	Arrange for the class to visit a small claims court hearing.	Have students report on the steps creditors indicated they used to collect payments prior to coming to court.	
	Explain the regulations and limitations related to the garnishment of wages that are imposed by Federal and State laws. Include such laws as: • Truth in Lending Act • Income Execution and Wage Assignments		State the responsibilities of a creditor when he resorts to the garnishment of a debtor's wages.
	Discuss the frequency and give examples when to use each method of collection.	Prepare a chart showing the advantages, disadvantages, and conditions when various methods of collecting money would be appropriate.	
	Invite a manager of a collection agency to discuss various methods available to collect overdue accounts.	Summarize the main points made by the speaker.	
Demonstrate a knowledge of new and pending legislation that relates to credit	Discuss new and pending laws that regulate the granting of credit.		List the pending laws that will affect the granting of credit.

APPENDIX

APPENDIX 1

A STUDENT PROJECT
THE STUDY OF THE OPERATION OF A RETAIL CREDIT DEPARTMENT

Descriptive Title:

Analysis of the Operation of a Credit Department in a Retail Store-with Related Work Experience

Objective or Purpose:

- To develop an overview of the total operation of a credit department by conducting interviews and making observations within the department
- To become better acquainted with the various functions of a credit department by completing a series of job analyses
- To become aware of the human relation factors and skills which are necessary for the effective operation of a credit department
- To identify the materials, equipment, and supplies normally used in operating a credit department
- To identify the ideal location and layout of a credit department
- To analyze the costs of maintaining a credit department (may be optional)

Nature and Scope

This project is designed to provide learning experiences for the student who wishes to pursue a career in retail credit. Approximately 6 weeks is required to complete the various activities if a student work station is available. The project may also be completed through a "shadow" experience and interviews with credit department employees in a 3 to 5 day period.

Materials, Equipment, and Resources:

- A 3 x 5 card file with index cards
- Graph paper for charts and layouts
- A large notebook
- Letter size manila folders

Preproject preparation:

- Review credit information previously studied, such as unit notes, texts, booklets, and films

- The student, with help from the instructor, will design a plan for completing the project. Some of the items to be included are:
  - A time schedule
  - Forms needed for accumulating information:
    - job analysis forms
    - interview plan and questions
    - work-flow chart
    - human relations evaluation sheet
    - inventory sheet
    - operating cost summary sheet
    - work experience daily summary sheet
  - Checkpoints for progress evaluation
  - Format for a written final report
  - Evaluation procedures
- The instructor should secure a training station in a local retail credit department. (The scope of this project is limited somewhat if a training section is not available.)

Step-by-Step Description

- Interview the credit manager for an orientation to the department.
- Complete a job analysis for each job in the department. Include job duties, responsibilities, requirements, and a typical day's work. Prepare a work-flow chart.
- Observe and list the human relation skills used in effectively operating the department.
- Complete a descriptive departmental inventory of the equipment, materials, and supplies, forms, form letters, and reports. Include samples when appropriate.
- Write a description of the appearance and the location of the department within the store and prepare a floor plan.
- Determine the costs of operating the department.(optional)
- Analyze the information accumulated and identify the strengths and weaknesses. Include suggestions for improvement.
- Identify areas of potential work experience.
- Write a summary of each day's work.*
- Reevaluate all information gathered to this point in the light of your work experience. Also adjust strengths, weaknesses, and suggestions which were previously identified.*
- Prepare the final report according to the format explained under preplanning.

Evaluation

- Evaluation should be continuous throughout the entire project according to the checkpoints devised by the instructor and student for the project plan.
- The student should do a self-evaluation on the project.
- The instructor should evaluate the final written report.
- The employer (credit manager) should evaluate the student's work experience on a rating sheet provided by the instructor.*
- The student should be given an oral and/or written test developed by the instructor and credit department manager.

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* For the student who is employed in a credit department.

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FILMS

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Effective listening. McGraw-Hill. 1959. 15 min. sound. b & w Rent - Syracuse Film Library.

If an elephant answers. New York Telephone Co. 1967. 26 min. sound. color. Loan - Local telephone office.

Job interview: three young men. Churchill Films. 1967. 16 min. sound. color. Rent - Business Education Films, Syracuse Films Library.

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Manner of speaking. New York Telephone Co. 1962. 28 min. sound. color. Rent - Business Education Films.

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People are just people. NCR Corp. 18 min. sound. color. Loan - NCR Corp.

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Your job: applying for it. Coronet Films. 1969. 14 min. sound. color. Rent - Albany State Film Library. Business Education Films, Syracuse Film Library.

Your job: fitting in. Coronet Films. 1969. 16 min. sound. color. Rent - Business Education Films, Syracuse Film Library.

Your job: getting ahead. Coronet Films. 1969. 15 min. sound. color. Rent - Business Education Films, Syracuse Film Library.

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Your job: you and your boss. Coronet Films. 1969. 16 min. sound. color. Rent - Business Education Films, Syracuse Film Library.

FILMSTRIPS

The A B C's of getting and keeping a job. Eye Gate House. sound. color. Purchase - Eye Gate House.

Applying for the job you want. Eye Gate House. sound. color. Purchase - Eye Gate House.

The job interview. Eye Gate House. 30 frames. color. (Occup. ed. ser.) Purchase - Eye Gate House.

On the job. Eye Gate House. sound. color. Purchase - Eye Gate House.

Preparing for an interview. J.C. Penney Co. 6 min. sound. color. Purchase - Local J.C. Penney Store.

TRANSPARENCIES

Following rules. United Transparencies, Inc. 15 transparencies Purchase - United Transparencies, Inc.

Guide to finding a job. Scott. 7 transparencies. Purchase - Scott Education Division

How to find a job. Tecnifax Corp. 7 transparencies. Purchase - Tecnifax Corp.

I want a job. United Transparencies, Inc. 15 transparencies. Purchase - United Transparencies, Inc.

Learning more about your job. United transparencies, Inc. 15 transparencies. Purchase - United Transparencies, Inc.

Making friends at work. United Transparencies, Inc. 15 transparencies. Purchase - United Transparencies, Inc.

PERIODICALS

American Banker
American Banker, Inc.
525 West 42d St.
New York, N.Y. 10004

Bank Systems and Equipment
Gralla Publications
1501 Broadway
New York, N.Y. 10036

Banker and Tradesman
Warren Publishing Corp.
89 Beach St.
Boston, Mass. 02111

Banking
Simmons-Boardman Publishing Corp.
350 Broadway
New York, N.Y. 10013

Barron's National Business & Financial Weekly
Dow Jones and Company
22 Courtlandt St.
New York, N.Y. 10007

The Collector
American Collectors Associates, Inc.
4040 West 70th St.
Minneapolis, Minn. 55435

Credit and Financial Management
National Assn. of Credit Managers
475 Park Ave., South
New York, N.Y. 10016

Credit World
International Consumer Credit Association
375 Jackson Ave.
St. Louis, Mo. 63130

Financial World
Butler Publishing Corp.
919 Third Ave.
New York, N.Y. 10002

Governmental Finance
Municipal Finance Offices Assn.
1313 East 60th St.
Chicago, Ill. 60637

Installment Retailing
Installment Retailing, Inc.
38 West 32nd St.
New York, N.Y. 10001

Mortgage Banker
The Mortgage Bankers Assn. of America
1125 Fifteenth St. NW.
Washington, D.C. 20005

DIRECTORY

American Banker, Inc.
67 Pearl St.
New York, N.Y. 10004

American Bankers Association
Installment Credit Commission
1120 Connecticut Ave., NW.
Washington, D.C. 20036

American Collectors Association
Box 35101
Minneapolis, Minn. 55435

American Marketing Association
222 South Riverside Plaza
Chicago, Ill. 60606

Associated Credit Bureaus, Inc.
6767 Southwest Freeway
Houston, Texas 77036

Business Education Films
5113 Sixteenth Ave.
Brooklyn, N.Y. 11204

Charge Account Bankers
1120 Connecticut Ave., NW.
Washington, D.C. 20036

Coronet Films
Coronet Bldg.
Chicago, Ill. 60601

Credit Women-International
2051 Railway Exchange Bldg.
St. Louis, Mo. 63101

CUNA International Inc.
Box 431
Madison, Wis. 53701

Dun and Bradstreet Publication Corp.
Box 3088
Grand Central Station
New York, N.Y. 10017

Encyclopedia Britannica Educational Co.
1150 Wilmette Ave.
Wilmette, Ill. 60091

Eye-Gate House, Inc.
146-01 Archer Ave.
Jamaica, N.Y. 11435

Fairchild Publications, Inc.
7 East 12th St.
New York, N.Y. 10003

Federal Reserve System
Board of Governors
Washington, D.C. 20551

Federal Trade Commission
Sixth St. and Pennsylvania Ave.
Washington, D.C. 20580

Gregg Publishing Co.
Princeton Road
Hightstown, N.J. 08520

Indiana University
Audio-Visual Center
Bloomington, Ind. 47403

International Consumer Credit Assn.
375 Jackson Ave.
St. Louis, Mo. 63130

International Film Bureau
332 South Michigan Ave.
Chicago, Ill. 60604

Richard D. Irwin, Inc.
1818 Ridge Rd.
Homewood, Ill. 60530

Jam Handy Organization
2821 East Grand Blvd.
Detroit, Mich. 48211

McGraw-Hill Book Co.
330 West 42 St.
New York, N.Y. 10036

Modern Talking Pictures
122 West Chippewa St.
Buffalo, N.Y. 14202

Montgomery Ward and Co., Inc.
Corporate Training Dept.
619 West Chicago Ave.
Chicago, Ill. 60607

NCR Corporation
213 Broadway
Menands, N.Y. 12204

NCR Corporation
Main and K Sts.
Dayton, Ohio, 45409

National Association of Bank-Women Inc.
11 East Wacker Dr.
Chicago, Ill. 60601

National Association of Credit Management
475 Park Ave. South
New York, N.Y. 10016

National Consumer Finance Association
1020 16th St., NW.
Washington, D.C. 20036

National Foundation for Consumer Credit Inc.
1819 H St., NW.
Washington, D.C. 20006

National Retail Management Association
Credit Management Div.
100 West 31st St.
New York, N.Y. 10001

New York State Consumer Protection Board
99 Washington Ave.
Albany, N.Y. 12230

New York State Department of Law
Bureau of Consumer Frauds and Protection
State Capitol
Albany, N.Y. 12224

New York State Education Department
Bureau of Distributive Education
99 Washington Ave.
Albany, N.Y. 12230

New York State Labor Department
Division of Employment
State Campus
Albany, N.Y. 12226

New York Telephone Co.
140 West St.
New York, N.Y. 10007

New York State University at Albany
Film Rental Library
1400 Washington Ave.
Albany, N.Y. 12222

Ohio State University
D.E. Materials Lab.
115 Townshed Hall
1885 Neel Ave.
Columbus, Ohio 43210

J.C. Penney Company, Inc.
Education and Consumer Relations Dept.
1301 Ave. of Americas
New York, N.Y. 10019

Ronald Press Co.
79 Madison Ave.
New York, N.Y. 10016

Progressive Pictures
6351 Thornhill Dr.
Oakland, Calif. 94611

Rand McNally and Co.
405 Park Ave.
New York, N.Y. 10022

Roundtable Films, Inc.
321 South Beverly Dr.
Beverly Hills, Calif. 90212

Science Research Associates, Inc.
259 East Erie St.
Chicago, Ill. 60611

Scott Education Division
Lower Westfield Rd.
Holyoke, Mass. 01040

Sears, Roebuck and Co.
Sears Tower
Chicago, Ill. 60684

Small Business Administration
26 Federal Plaza
New York, N.Y. 10007

Society of Certified Consumer
Credit Executives
7408 University Dr.
St. Louis, Mo. 63130

South-Western Publishing Co.
512 North Ave.
New Rochelle, N.Y. 10802

Henry Strauss and Co.
31 West 53 St.
New York, N.Y. 10019

Syracuse University
Film Rental Library
1455 East Colvin St.
Syracuse, N.Y. 13210

Tecnifax Corp.
195 Appleton St.
Holyoke, Mass. 01040

United Transparencies Inc.
Box 6881
Binghamton, N.Y. 13902

University of Illinois
Visual Aids Service
Champaign, Ill. 61820

Virginia State Department of Education
Distributive Education Service
Richmond, Va. 23216